



Bill Owens
Governor

Colorado Department of Local Affairs
Executive Director, Michael L. Beasley

DIVISION OF PROPERTY TAXATION
Mary E. Huddleston
Property Tax Administrator

TO: All County Assessors

FROM: Mary E. Huddleston

SUBJECT: 2005 Personal Property Table Adjustments

DATE: February 18, 2005

MEMORANDUM

On February 15, 2005, the Division held an open review meeting with county assessor representatives, industry representatives, and other concerned parties to discuss the draft copy of the 2005 Personal Property Table adjustments. At the meeting there were no substantial disagreements with the proposed changes. The county representatives did not note any issues with the content of the changes, but they did express concerns related to the timing, the additional costs to the counties, and additional administrative hassles that may result during the implementation of the proposed changes for the 2005 tax year. Some counties noted that they did not feel that they would be able to implement the changes for the 2005 tax year. Mary noted that if there were specific counties that were not able to implement the changes for the 2005 tax year, she would talk to the State Board on the counties behalf to explain the situation. This does not mean that the counties are removed from the requirement to implement the changes for the 2005 tax year, it indicates that those counties that are not able to implement the changes will have to make the changes through the appeals and/or abatement process for the 2005 tax year. Any assessors in the counties that are not able to make the recommended changes need to send an email to Mary explaining which of the proposed changes they will not be able to implement for the 2005 tax year and why.

The changes will be recommended by the Division for approval at the March 17, Statutory Advisory Committee (SAC) meeting. Officially the changes will be approved 30 days after the SAC approval, as long as the State Board of Equalization does not disagree with the proposed changes. Since there was not a disagreement with the content of the changes, counties should begin incorporating the changes into their systems immediately.

If there are any questions, contact Kenneth Beazer at (303) 866-2790.

KLK/kib
G:\DPT-GRP\ASCOM\PP FACTORS\2005 PP FACTORS\2005 PERSONAL PROPERTY TABLE ADJUSTMENTS
2-18-05.DOC



CHAPTER 4

PERSONAL PROPERTY TABLES

The personal property tables chapter contains the replacement cost factors, economic life estimates, and percent good tables that are provided to assist county assessors in valuing personal property by the cost approach. The level of value adjustment factors are provided pursuant to § 39-1-104(12.3), C.R.S., and must be used to factor current actual values of personal property to the level of value in effect for real property.

The tables and factors published here are subject to verification in the marketplace. All cost approach value estimates are based upon the factors and tables found in this section. Cost approach value estimates must be reconciled to the market and income approaches to value based upon the appraiser's opinion as to the reliability of the information used to derive the value estimates from each approach. Reconciliation of the applicable approaches to value is required for the valuation of all personal property in Colorado.

Actual Value Determined When.

(13)(a) ...the cost approach shall establish the maximum value of property if all costs incurred in the acquisition and installation of such property are fully and completely disclosed by the property owner to the assessing officer.

(c) ...However, nothing in this subsection (13) shall preclude the assessing officers from considering the market approach or income approach to the appraisal of personal property when such considerations would result in a lower value of the property and when such valuation is based on independent information obtained by the assessing officers.

§ 39-1-103(13), C.R.S.

Counties that develop in-house trending or depreciation tables must submit them annually for approval to the Statutory Advisory Committee to the Property Tax Administrator prior to use.

As the property under appraisal ages, the cost approach becomes less indicative of the property value. After fifteen years of age, the recommended valuation procedure is to measure the value of depreciated equipment directly in the marketplace, if possible.

COST FACTOR TABLES

The replacement cost factor tables are provided to assist the assessor in the determination of replacement cost new estimates by multiplying original or historical cost of personal property by the cost price indexes published and made available through the courtesy of the Marshall Swift Publication Company. When the original cost is multiplied by the factor for the year of acquisition, the product will approximate the current cost to replace, or the Replacement Cost New (RCN), of the personal property being appraised with property having similar utility.

The assessor must select the appropriate cost factor table that corresponds to the type of equipment being appraised. Thirteen tables are supplied. In many instances, the individual index tables cover more than one type of commercial or industrial property. Specific types of commercial and industrial property are found in each table.

If the property to be factored can be specifically identified, the appropriate specific factor table (such as 3 for office equipment) should be applied. If the property cannot specifically be identified, the factor for the business type may be used. If property is generally useful in many types of business activities, the predominant use shall determine the cost factor code.

If particular property types are not included in the table, a comparable property type cost factor table may be selected. The "average of all" (Table 1) cost factor table should be selected if the specific property type is not included in any of the cost factor tables.

After selecting the appropriate cost factor table, the assessor uses the specific cost factor that corresponds to the year of acquisition of the equipment. The original cost of the equipment is then multiplied by that cost factor to arrive at the estimated current replacement cost new (RCN).

Example:

Property Type	Factor Number	Acquisition Year	Cost	Factor	RCN
Office Desks	3	1999	\$1,500	1.09	\$1,635

In other words, it would cost \$1,635 on the current assessment date to replace office desks purchased in 1999 for \$1,500.

INDUSTRY REFERENCE NUMBERS

Types of Personal Property Included in Factor Groupings

Cost Factor Table	
Reference Number	Property Type
1	Average of All
2	Candy and Confectionery, Creamery and Dairy, Flour, Cereal and Feed, Garage, Meat Packing, Paint, Refrigeration and Rubber
3	Office Equipment, (excluding copiers), and Office Furniture
4	Retail and Wholesale Stores, Warehousing
5	Rental Furnishings, Apartments, Hotels and Motels
6	Banks, Savings and Loans, Restaurants and Lounges, and Theaters
7	Contractors' Equipment
8	Laundry & Cleaning Equipment
9	Bakery, Bottling, Canneries, and Fruit Packing
10	Brewing and Distilling, Cement, Clay Products, Glass, Metal, Logging, Metal Working, Mining and Milling
11	Chemical, Electrical Equipment, Manufacturing, Paper, Motion Pictures and Television, Printing, and Woodworking
12	All Petroleum, and Textile
13*	Computer and PC Equipment, Computer-integrated Equipment, Telephone and Telecommunication Equipment, and Copiers

Source: Marshall & Swift, October 2004

*Please refer to **Chapter 7, Special Issues**, under *Classification and Valuation of Personal Computers (PCs) and Other Equipment*, for more information.

2005 REPLACEMENT COST NEW FACTORS

Cost Factor Table
Reference Numbers

Year Acquired	1	2	3	4	5	6
1979	2.04	2.03	1.87	2.00	1.99	1.91
1980	1.86	1.84	1.73	1.85	1.84	1.78
1981	1.68	1.66	1.59	1.70	1.68	1.63
1982	1.61	1.58	1.53	1.63	1.62	1.58
1983	1.58	1.55	1.49	1.59	1.59	1.54
1984	1.54	1.51	1.45	1.54	1.54	1.49
1985	1.52	1.48	1.43	1.52	1.51	1.47
1986	1.50	1.47	1.41	1.50	1.50	1.46
1987	1.48	1.45	1.39	1.48	1.48	1.43
1988	1.42	1.40	1.34	1.42	1.42	1.38
1989	1.35	1.33	1.27	1.35	1.35	1.31
1990	1.31	1.29	1.24	1.31	1.31	1.28
1991	1.29	1.27	1.23	1.29	1.28	1.26
1992	1.27	1.25	1.21	1.27	1.26	1.25
1993	1.25	1.23	1.20	1.24	1.23	1.22
1994	1.21	1.20	1.17	1.19	1.19	1.18
1995	1.17	1.16	1.13	1.16	1.15	1.15
1996	1.15	1.14	1.12	1.15	1.13	1.14
1997	1.13	1.12	1.10	1.12	1.11	1.12
1998	1.12	1.12	1.09	1.12	1.11	1.11
1999	1.12	1.11	1.09	1.12	1.10	1.11
2000	1.10	1.09	1.07	1.09	1.08	1.09
2001	1.09	1.08	1.07	1.09	1.07	1.08
2002	1.09	1.08	1.06	1.08	1.06	1.08
2003	1.07	1.06	1.05	1.06	1.05	1.06
2004	1.00	1.00	1.00	1.00	1.00	1.00

Source: Marshall & Swift, October 2004

**2005 PERSONAL PROPERTY
REPLACEMENT COST NEW FACTORS**

**Cost Factor Table
Reference Numbers**

<u>Year Acquired</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>13</u>
1979	2.07	2.03	2.04	2.03	1.96	2.05	1.00
1980	1.87	1.85	1.85	1.84	1.76	1.85	1.00
1981	1.68	1.68	1.67	1.66	1.60	1.65	1.00
1982	1.59	1.61	1.60	1.57	1.55	1.55	1.00
1983	1.56	1.58	1.58	1.55	1.53	1.53	1.00
1984	1.52	1.54	1.54	1.51	1.48	1.50	1.00
1985	1.51	1.51	1.52	1.49	1.47	1.49	1.00
1986	1.49	1.50	1.51	1.48	1.46	1.49	1.00
1987	1.47	1.48	1.49	1.47	1.44	1.48	1.00
1988	1.43	1.42	1.42	1.42	1.37	1.42	1.00
1989	1.36	1.35	1.35	1.35	1.29	1.35	1.00
1990	1.32	1.31	1.31	1.31	1.27	1.32	1.00
1991	1.29	1.29	1.29	1.29	1.25	1.29	1.00
1992	1.26	1.27	1.28	1.28	1.25	1.28	1.00
1993	1.23	1.25	1.25	1.26	1.24	1.26	1.00
1994	1.20	1.22	1.22	1.23	1.21	1.24	1.00
1995	1.17	1.17	1.18	1.19	1.15	1.20	1.00
1996	1.15	1.16	1.16	1.17	1.14	1.17	1.00
1997	1.13	1.14	1.14	1.15	1.13	1.15	1.00
1998	1.11	1.13	1.13	1.14	1.13	1.14	1.00
1999	1.11	1.13	1.13	1.14	1.13	1.13	1.00
2000	1.09	1.11	1.11	1.12	1.11	1.12	1.00
2001	1.08	1.10	1.10	1.11	1.10	1.10	1.00
2002	1.07	1.09	1.09	1.10	1.10	1.09	1.00
2003	1.06	1.07	1.07	1.08	1.08	1.07	1.00
2004	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Marshall & Swift, October 2004

2005 COST INDEX - FIXTURES/LEASEHOLD IMPROVEMENTS

June 30, 2004 Level of Value

This cost index is provided to assist the assessor in relating original or historical costs of fixtures or leasehold improvements to the real property level of value. The property may be valued using real property appraisal records for computations and should be assessed to the owner of record.

When using this method of valuation, the property must be classified and abstracted as real property improvements. The factors are useful only in the cost approach when attempting to factor historical costs to the correct level of value. All cost approach value estimates must be reconciled to the sales comparison (market) and income approaches to value as with other real property improvements. The factors found in this table are for estimating replacement costs only and do not include an allowance for depreciation.

Year Acquired	Factor
1979	2.20
1980	2.04
1981	1.91
1982	1.85
1983	1.79

1984	1.71
1985	1.67
1986	1.66
1987	1.65
1988	1.62

1989	1.59
1990	1.54
1991	1.53
1992	1.50
1993	1.43

1994	1.37
1995	1.34
1996	1.33
1997	1.29
1998	1.27

1999	1.23
2000	1.17
2001	1.16
2002	1.13
2003	1.11

2004	1.00

Source: Marshall & Swift Co., October 2004 & Division of Property Taxation

AVERAGE ECONOMIC LIFE ESTIMATES

The average economic life estimates are provided for assistance in applying the percent good depreciation tables for each type of property being valued. The economic life recommendations are based upon the Class Life Asset Depreciation Range published by the Internal Revenue Service, Marshall and Swift Co., and other sources. Further information about the estimates may be found in I.R.S. publication 946, "How To Depreciate Property", available from the I.R.S.

The economic life estimates are based on average national service lives and assume normal use and maintenance of the property. Use of the appropriate economic life estimate accounts for typical physical depreciation and functional/technological obsolescence for the personal property within the valuation process. Use of economic lives that differ from those in the estimates must be documented with specific market information. Counties and taxpayers are encouraged to provide this documentation for review by the Division of Property Taxation for possible update of existing published lives.

For specific types of equipment, economic life estimates were developed based on studies completed by the Division of Property Taxation.

PROPERTY TYPE	Recommended Economic Life (years)
COMMERCIAL	
<i>Wholesale Trade Level</i>	
Wholesale trade machinery equipment, and furnishings	9
<i>Retail Trade Level</i>	
Retail trade machinery equipment, and furnishings	9
<i>Service Trade Level</i>	
Adding machines, calculators	6
All terrain vehicles (ATVs) For addt'l info., see Chapter 7	6
Amusement parks	12
<i>Automated teller machines (ATMs): see Chapter 7</i>	
Computer/electronic components/portion	4*
Structural housing	10
Auto repair shops	10
Bank vault doors	20
Barber and beauty shops	10
<i>Cable television:</i>	
Digital TV set-top boxes	4*
Subscriber converters, other than digital	5
Test equipment	8
Origination equipment	9
Satellite receiving ground stations	9
Distribution & subscriber connection equipment	10
Headend equipment	11
Microwave systems	9
Computers – personal & accessories	3*
Computers – other & stand-alone peripherals	4*
Computer – integrated machinery & equipment	4
Construction equipment, general	6
Copiers and duplicators	6
Data handling equipment, except computers	6
Electronic equipment, except computers	6
<i>Gaming: see Chapter 7</i>	
Electronic (e.g. slot machines)	5
Larger gaming personal property (e.g. tables)	10
<i>Gas station equipment:</i>	
Electronic fuel pumps	6
General	10
Double walled storage tanks	20
Hydroelectric Generators	20
Golf carts	6
Laundry and dry cleaning	10
<i>Commercial Continued on next page</i>	

* Use appropriate computer percent good table 2005.

Source: Division of Property Taxation, Marshall & Swift, & I.R.S

PROPERTY TYPE	Recommended Economic Life (years)
COMMERCIAL (continued)	
<i>Service trade level (continued)</i>	
<i>Medical equipment:</i> For add'l info. see Chapter 7	3 to 10
Meter and stamp equipment	6
Office furniture	10
Pedicabs	10
Photo processing equipment (Electronic)	6
Port-a-potty	10
Radio and television broadcasting	6
Recreation and amusement	10
Restaurant and bar (all)	10
River Rafts	10
Shopping carts	5
Signs (Billboard)	20
Signs (other) by typical business life	
<i>Snow cats:</i> For add'l info. see Chapter 7	
Heavy use (e.g. snowgrooming operations)	6
Moderate use (e.g. transportation operations)	10
<i>Storage tanks:</i>	
Single wall (e.g. above ground propane tanks)	10
Double walled (e.g. below ground fuel tanks)	20
Telecommunication machinery and equipment	4
Theater	10
Telecommunication towers	20
Typewriters	6
Vending machines	10
Video machines (arcade)	6
RESIDENTIAL/COMMERCIAL	
Residential rental furnishings	10
Apartment, hotel and motel furnishings	10
NATURAL RESOURCES	
<i>Mining-Metallic and Nonmetallic</i>	
Mining, quarrying, & milling equipment	10
<i>Petroleum and Natural Gas</i>	
Exploration, drilling	6
Production (Excluding pipelines)	14
Marketing, retail	9
Refining	16
<i>Timber</i>	
Logging	6
Sawmills, permanent	10
Sawmills, portable	6

* Use appropriate computer percent good table 2005.

Source: Division of Property Taxation, Marshall & Swift, & I.R.S.

PROPERTY TYPE	Recommended Economic Life (years)
INDUSTRIAL	
<i>Manufacturing Trade Level</i>	
Aerospace	10
Apparel and fabricated textiles	9
Bakeries and Confectionery	12
Brewery	12
Canneries and frozen food	12
Cement manufacture	20
Cereal, flour, grain and mill products	17
Chemicals and related products	10
Clay and gypsum products	15
Concrete manufacture	15
Dairy products manufacturing	12
Electrical equipment manufacturing	10
Electronic equipment manufacturing	6
Fabricated metal products	12
Special tools	3
Food and beverage production	12
Special handling devices	4
Forklifts	10
Glass and glass product	14
Special tools	3
Jewelry	12
Lumber, wood products and furniture	10
Machinery (not otherwise listed in this section)	10
Meat packing	12
Motion picture and television production	12
Paint and varnish	10
Plastics and plastic products	11
Special tools	3
Printing and publishing	11
Professional and scientific instruments	10
Paperboard and pulp	10
Rubber products	14
Special tools	4
<i>Semi-conductor manufacturing:</i>	
General	5
Research and development	3
Test equipment	5
Wafer fabrication	3
Soft drink bottling	12
Steel and related products	15
Stone products	15
Sugar and sugar products	18

Source: Division of Property Taxation, Marshall & Swift, & I.R.S.

PERCENT GOOD TABLE

The personal property percent good table is provided to assist the assessor in estimating the replacement cost new less normal depreciation (RCNLD). The column headings represent the average service life expectancy of the personal property being appraised. Each column contains the percent good factor for a specified age in the life of the property.

Percent good tables measure the value remaining in personal property. Depreciation tables measure the loss in value at a specified age. The factor shown in the columns of the percent good table represents the percentage of RCN remaining at a specified age. The general percent good tables are built upon the following assumptions:

1. Iowa State Univ. property retirement & depreciation studies
2. A specified rate of return
3. Average condition and usage of typical property

The general percent good table is generic in nature. It was designed to be generally useful for the majority of personal property. It is not specific to any particular industry or type of personal property.

The table was designed to account for normal physical depreciation. Use of the table with the appropriate economic life estimate accounts for typical physical depreciation and functional/technological obsolescence for the personal property within the valuation process. Additional functional/technological and/or economic obsolescence may also exist. If documented to exist, additional functional and economic obsolescence must be measured in the marketplace either using the market approach or rent loss methods. In addition, any adjustments to the percent good due to the condition of the subject property must be defensible and documented.

The minimum percent good shown for each of the columns is useful as a guide to residual value. It is not absolute and must be reconciled with market information for similar types of property in order to be valid. If the market shows that the actual value of personal property is lower than the value arrived at by using the minimum percent good, the use of the minimum percent good should be rejected in favor of the lower value. The actual value of the personal property must be determined as long as the property is still in use.

If the cost-calculated value is lower than the market and/or income approach, when the personal property reaches its minimum percent good, the assessor should review the original cost, all assigned factors, the physical condition of the property, and other pertinent contributors to value. If these are correct, the assessor must use the cost approach value as the actual value of the property pursuant to § 39-1-103(13)(a), C.R.S.

As the personal property under appraisal ages, the cost approach becomes less indicative of the property value. After fifteen years of age, the recommended valuation procedure is to measure the value of depreciated equipment directly in the marketplace, if possible.

To use the table, the assessor must determine the economic life and the age of the subject property. The percent good may be determined by moving across the columns until the one specified for the economic life is reached and then down this column to the point that reflects the effective age of the property.

Example:

Property Type	Economic Life	Age	RCN	Percent Good	RCNLD
Office Desks	10 years	6 years	\$1,635	53%	\$ 867

The assessor must also consider functional and economic obsolescence, abnormal physical condition, or other factors that might affect the value of the equipment. The assessor should also consider the frequency and extent of maintenance to the property. Extensive maintenance or reconditioning of the property may extend the economic life of the property just as a lack of maintenance may shorten the economic life.

DEPRECIATED VALUE FLOOR

In the year in which the personal property has reached its minimum percent good, the applicable Replacement Cost New (RCN) trending factor in use at that time is "frozen" and the Level of Value (LOV) adjustment factor is "frozen" at 1.0. For the assessment years that follow, the RCNLD value does not change until the personal property is permanently taken out of service. An exception to this rule applies when the property has been reconditioned to extend its remaining economic life.

Even though the personal property has been permanently taken out of service, but has not been scrapped or sold, it still has value. However, additional functional and/or economic obsolescence may exist.

It is possible that the market or income approach may indicate a lower value than the personal property's minimum percent good. In addition, as property ages, the use of original installed cost multiplied by trending factors may not yield reasonable RCN values. Any RCNLD estimate should be crosschecked with sales comparison (market) and income information sources, if possible, and the appropriate value used.

VALUATION OF USED PERSONAL PROPERTY

The valuation of used personal property requires that a decision be made concerning the remaining economic life of the property. If the personal property's elapsed age from its actual year of manufacture, or estimated effective year of manufacture, is equal to or greater than the number of years in which the personal property would have reached its fully depreciated value floor, then the price paid for the personal property is to be treated as RCNLD and "frozen" at that value. RCN trending and percent good factors will not be applied to the frozen value. The LOV adjustment factor is "frozen" at 1.0 and will remain 1.0 until the property is taken out of service, sold, or retired.

An exception to this rule applies when the personal property is reconditioned to extend its remaining economic life. Then the reconditioned property is treated as new personal property and the formerly frozen value is treated as acquisition cost that is subject to depreciation over a complete economic life of the personal property.

Even though personal property has been permanently taken out of service, but has not been scrapped or sold, it still has value. However, additional functional and/or economic obsolescence may exist.

If the elapsed age from the year of manufacture, or estimated effective year of manufacture, is less than the number of years when the personal property would have reached its depreciated value floor, as evidenced in its recommended economic life from the preceding tables, then the property is treated as new personal property and the owner's acquisition cost is subject to depreciation over the complete economic life as would be used for new personal property. However, the resulting value should be compared to the sales comparison (market) value for the personal property, if possible.

GENERAL PERCENT GOOD TABLE FOR 2005

		AVERAGE ECONOMIC LIFE IN YEARS																				
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
EFFECTIVE AGE	1	68	77	82	86	88	90	92	93	94	95	95	96	96	97	97	97	98	98			
	2	39	54	64	71	76	80	83	85	87	89	90	91	92	93	94	95	95	96			
	3	17	34	47	57	64	70	74	78	80	83	85	87	88	90	91	92	92	93			
	4	15	18	31	42	51	59	65	69	73	77	80	82	84	86	87	88	90	91			
	5		15	19	31	40	49	55	61	66	70	74	77	79	81	83	85	86	88			
	6			15	20	29	38	46	53	59	63	67	71	74	77	79	81	83	85			
	7				15	21	30	38	45	51	57	62	66	69	72	75	78	80	82			
	8					15	22	30	37	44	50	55	60	64	68	71	74	76	78			
	9						15	23	30	36	43	49	54	59	63	66	70	73	75			
	10							15	23	30	37	42	48	53	58	61	65	69	72			
	11								15	24	30	37	43	48	53	56	61	65	68			
	12									20	25	30	37	43	48	51	56	61	64			
	13										15	22	26	33	37	42	46	52	60			
	14											15	23	27	33	39	42	48	56			
	15												18	22	28	34	39	44	52			
	16													15	20	23	29	34	48			
	17														15	22	24	30	44			
	18															15	24	26	40			
	19																20	21	36			
	20																	15	23	33		
	21																		17	29		
	22																		15	26		
	23																			15	24	
	24																				15	21
	25																					19
	26																					15

Source: Division of Property Taxation

The following table has been developed for **Personal Computers (PCs) and Accessories:**

Percent Good Table 2005

Average	Economic	Life
<u>Age</u>		<u>3</u>
EFF	1	44
	2	23
A	3	13
G	4	7
E		

Source: Division of Property Taxation

The following table has been developed for **Other Computer Equipment Including Computer Peripherals:**

Percent Good Table 2005

Average	Economic	Life
<u>Age</u>		<u>4</u>
EFF	1	50
	2	36
A	3	22
G	4	13
E	5	7

Source: Division of Property Taxation

For personal property classified as Computer-integrated Machinery and Equipment, a four (4) year economic life is assigned. The four (4) year life depreciation table found in the General Percent Good Table in this section should be used.

If you have questions concerning personal computers (PCs) and accessories, other computer equipment including stand-alone computer peripherals, or computer-integrated machinery and equipment, please refer to **Chapter 7, Special Issues**, under ***Classification and Valuation of Personal Computers (PCs) and Other Equipment.***

The following table has been developed for **Copiers**:

Percent Good Table 2005

Average	Economic	Life
<u>Age</u>	<u>6</u>	
EFF	1	54
	2	46
A	3	36
G	4	32
E	5	29
	6	26
	7	20

Source: Division of Property Taxation

Copiers have a six (6) year economic life and should be “frozen” in the seventh year at the 20 percent good. In the seventh year the LOV adjustment factor is “frozen” at 1.0 and will remain 1.0 until the personal property is taken out of service, sold, or retired.

LEVEL OF VALUE ADJUSTMENT FACTORS

The following table contains the indexes for adjusting current actual value of personal property to the level of value in effect for real property as specified by § 39-1-104(12.3)(a)(I), C.R.S. The procedure involves the multiplication of the current actual value estimate by the appropriate factor for the type of property being valued. When personal property reaches its fully depreciated value floor the actual value should be determined and frozen. The LOV adjustment factor is “frozen” at 1.0 and will remain 1.0 until the property is taken out of service, sold, or retired.

Example:

Property Type	Factor Number	Current Actual Value	Rollback Factor	6/30/04 Level of Value
Office Desks	3	\$ 867	0.98	\$ 850

PERSONAL PROPERTY ADJUSTMENT FACTOR FOR 2005 ASSESSMENT YEAR June 30, 2004 Level of Value

Factor Table	
<u>Reference Number</u>	<u>Rollback Factor</u>
1	0.98
2	0.98
3	0.98
4	0.98
5	0.98
6	0.98
7	0.98
8	0.97
9	0.97
10	0.97
11	0.97
12	0.98
13	1.00

Source: Division of Property Taxation and Marshall & Swift